



BRIEFING: May 2013 BOARD MEETING AGENDA ITEM #5

TO: Chairman Richard and Board Members

FROM: Tom Fellenz, Chief Counsel

DATE: May 2, 2013

RE: Approval of Amendment to Parsons Brinckerhoff - Program Management Team Consultant Contract

Introduction

It is the Authority's intent to best serve the public interest by delivering all aspects of the California High-Speed Train Program on schedule, at the lowest possible cost, and with quality that meets or exceeds acceptable industry and government standards. Staff has determined it is in the best interest of the State to amend this contract for time and budget and therefore requests board approval of the staff recommendation. The scope of services will remain the same as in the existing contract, with annual deliverables and resources defined and negotiated by the Authority each year. This contract, as with all of the Authority's A&E contracts, contains the Board adopted 30 percent small business participation goal and a 30 day termination clause.

Background

The Authority's contract with Parsons Brinckerhoff, the Program Management Team (PMT) Consultant, is approaching the limits of its current contract for contract duration and budget and requires Board approval for an amendment. Parsons Brinckerhoff serves as an extension of the Authority staff and, at its direction, supports the Authority in advancing the overall program and achieving critical program milestones.

To date, Parsons Brinckerhoff has supported the Authority with the following:

- Grants and funding
 - Proposition 1A (AB 3034)
 - Prepared and submitted applications for ARRA and FY 2010 grant applications; supported initial grant agreements and subsequent amendments
 - Grant administration and reporting, and preparation of documents and reports (risk management register/plan, project management plan, design/build program plan, project construction manual, right-of-way acquisition plans, monthly progress reports and other required ARRA-specific reports)
- Business plan development and reporting

- Prepared the 2012 Draft and Revised Business Plans
- Preparation of initial SB 1029 reports
- Assisted with preparation of response to GAO report
- Assisted with Bureau of State Audits review
- Engineering and design management
 - Development of Authority design guidelines for high-speed rail, track, structures, systems, rolling stock and appurtenances
 - Assisted with state and federal agency regulatory review and approvals on engineering documents, including FRA and CPUC
 - Estimating
- Environmental
 - Development and coordination of environmental review process
 - Coordination with FRA, permitting agencies and stakeholders
 - Processing and review of key environmental deliverables (Preliminary/Supplemental and Subsequent Alternative Analyses, Draft and Final EIR's/EIS's)
 - Completed the first NEPA Record of Decision (ROD) for the Merced to Fresno section
- Procurement
 - RFQ and RFP processes for design-build contracts
 - Review and guidance for procurement of right-of-way consultant contracts
 - Development of project construction management consultant services (PCM)
 - Support for development and coordination of third-party agreements including UPRR, BNSF, Southern California Edison, PG&E, irrigation districts, and other affected agencies
 - Small business protocols, procedures and tracking
- Program and operations planning
 - Ridership/revenue forecasts and coordination with ridership peer review panel
 - Service, operations and maintenance planning and cost estimating
 - Coordination of technical analyses to support business planning
 - Local jurisdiction coordination/station area planning
 - Program integration, sustainability, safety and security
 - Administration of the small business program
 - Assisted with overseeing and managing the Regional Consultants
 - General analysis and research
- Project controls/administration
 - Development of project controls tools for tracking and monitoring program and project costs, schedules, milestones, program changes, change orders, and contingency management

Staff recommends amending the contract duration and budget with Parsons Brinckerhoff for continued program management support and extending the contract up to 24 months. The amendment will allow continued support in the areas described above and will also include support for:

- Preparation of the 2014 Business Plan and SB 1029 reports
- Preparation of and support for procurements for Contract Packages (CP) 2-4 and CP 5
- PCM/construction work flows
- Development of workflows for tracking and monitoring the design-build and PCM contracts
- Continued grants administration and reporting, including tracking ARRA grant deliverables
- Risk program management support
- Quality management support

2013 -2015 Program Management Team Estimated Expenditures by Task

Task	Description	Fiscal Year (\$ in millions)	
		13/14	14/15
1	Program Management and Controls	\$ 11.0	\$ 10.0
2	Public Education and Communication	\$ -	\$ -
3	Engineering Management	\$ 11.0	\$ 9.0
4	Environmental Review	\$ 7.0	\$ 6.0
5	Regional Management	\$ 7.0	\$ 5.5
6	ROW Assessment and Acquisition	\$ 2.5	\$ 2.0
7	Railroad Operations and Revenue	\$ 5.0	\$ 4.0
8	Procurement	\$ 5.5	\$ 4.5
9	Statewide Planning	\$ 2.5	\$ 2.0
10	Construction Management	\$ 2.0	\$ 2.0
11	HSR Implementation Planning	\$ 2.0	\$ 2.0
12	Testing and Commissioning	\$ 1.0	\$ 1.0
13	Not used	\$ -	\$ -
14	Regional Management D-B Support	\$ 2.0	\$ 2.0
15	Network Integration	\$ 1.5	\$ 1.5
16	Systems Assurance	\$ 3.0	\$ 2.0
	ODC	\$ 2.0	\$ 1.5
Budget Totals		\$ 65.0	\$ 55.0

Extending this contract will enable the Authority to retain the team's expertise and experience and will maintain continuity and momentum for implementing the program. It is important to note that this extension is based on producing specific deliverables, work product, and project milestones as well as supplementing Authority staffing. The contract is task driven and the PMT will only perform duties that it is directed to perform by the Authority and produce deliverables as outlined in the annual work plan.

About Parsons Brinckerhoff

Parsons Brinckerhoff is a global consulting firm assisting public and private clients to plan, develop, design, construct, operate and maintain thousands of infrastructure projects around the world. Parsons Brinckerhoff offers skills and resources in strategic consulting, planning, engineering, program management, construction management, and operations and maintenance. The firm provides services for all modes of infrastructure, including transportation, power, energy, community development, water, mining and the environment.

Key Facts

- Established: 1885
- Number of Employees: 14,000 in over 150 offices worldwide
- Founded by William Barclay Parsons, one of the original designers of the New York City subway system
- Acquired as a wholly owned subsidiary by Balfour Beatty in 2009

Discussion

It is the Authority's intent to best serve the public interest by delivering all aspects of the California High-Speed Train Program on schedule, at the lowest possible cost, and with quality that meets or exceeds acceptable industry and government standards.

The contract with Parsons Brinckerhoff is as an Architectural and Engineering (A&E) services contract as defined in Government Code, Section 4525 and, therefore, extending this contract through the amendment process is within the Board's scope and will not require approval by the Department of General Services pursuant to Section 11.00 of the State Contracting Manual (SCM).

This recommendation considers the following opportunities and risks: loss of consistency/continuity, stakeholder relationships, competition, potential conflicts of interest, loss of institutional knowledge, and imminent disruption and delay. This qualitative risk-based assessment was performed in consultation with the Authority's Chief Deputy Director, Chief Program Manager, Chief Financial Officer, Regional Directors, Chief Counsel, and Risk Manager.

As the program advances and matures, professional consultant services procurement, structure, and organization will be continuously assessed and enhanced. Due to the dynamic nature of the project, there will likely be future opportunities to improve efficiencies. Over the next year, the Authority plans to implement various strategic planning initiatives. The area of professional consulting services procurement will be one area of emphasis with the goal of building on the Authority's long term consulting strategy.

The attached graph, Attachment 1, shows the status of expenditures for the regional consultants and the program management team. The expenditures are currently trending below what was initially planned, as schedule and work adjustments have been made consistent with the Revised 2012 Business Plan, SB 1029, Proposition 1A and federal funding guidelines.

The Authority awarded the contract to Parsons Brinckerhoff for program management services on November 16, 2006. The procurement process was managed directly by Authority staff consistent with the state's competitive A&E procurement process. Proposals were evaluated by a team of Authority staff and staff from other state departments with contracting experience who evaluated the proposals and made recommendations to the Authority. The contract duration approved by the Board is through June 30, 2013.

In 2006 Parsons Brinckerhoff and its sub-consultants were selected to provide long term Program Management Services to California High-Speed Rail. The contract anticipated four phases of work:

- Phase I Preliminary Engineering and NEPA/CEQA and development of an Implementation Plan
- Phase II Design and Pre-Construction
- Phase III Construction and Preparation for Operations
- Phase IV Systems Testing and Commissioning

The initial portion of the contract, for Phase I services, began in November 2006 with completion anticipated by July 2013. Substantial progress has been made on the original Phase I activities including development and approval of the Revised 2012 Business Plan. However, as a result of working with our stakeholders and the community, programmatic scope changes have moved Phase I work beyond 2013, to as far as 2017. At the same time Phase II and Phase III work (Design and Pre-Construction, Construction and Preparation for Operations) have advanced in a phased approach. The work being performed by the PMT spans both preconstruction and construction activities as defined under Proposition 1A. The funding for this contract is comprised of the American Recovery and Reinvestment Act (ARRA) and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A) funds.

The Authority awarded the contract to Parsons Brinckerhoff for program management services. The original contract value was \$199.0 million to provide a wide range of services at the Authority's direction. As of March 2013, \$160.0 million has been expended for these services. This proposed amendment is to extend the contract duration by up to 24 months and to increase the contract budget by \$96 million. The contract would be managed through the use of task orders that are tied to major deliverables and staff support needs. Parsons Brinckerhoff has attained over 15% SBE utilization even though the PMT contract had no small business participation requirement.

Current PMT expenditures approximate \$5 million per month. Program efforts have increased substantially in the current fiscal year consistent with the adoption of the 2012 Business Plan and the passage of SB 1029. Total PMT expenditures are anticipated to be \$175 million through June 2013, \$24 million less than the current contract authorization through that same time period.

It is projected that FY 14 needs are approximately \$5.4 million per month and FY 15 needs approximately \$4.6 million per month.

This proposed amendment would cover the following:

- Extend contract duration by two years, from July 1, 2013 through June 30, 2015
- Increase contract budget by \$96 million
- Carryover contract capacity of approximately \$24 million

Recommendation

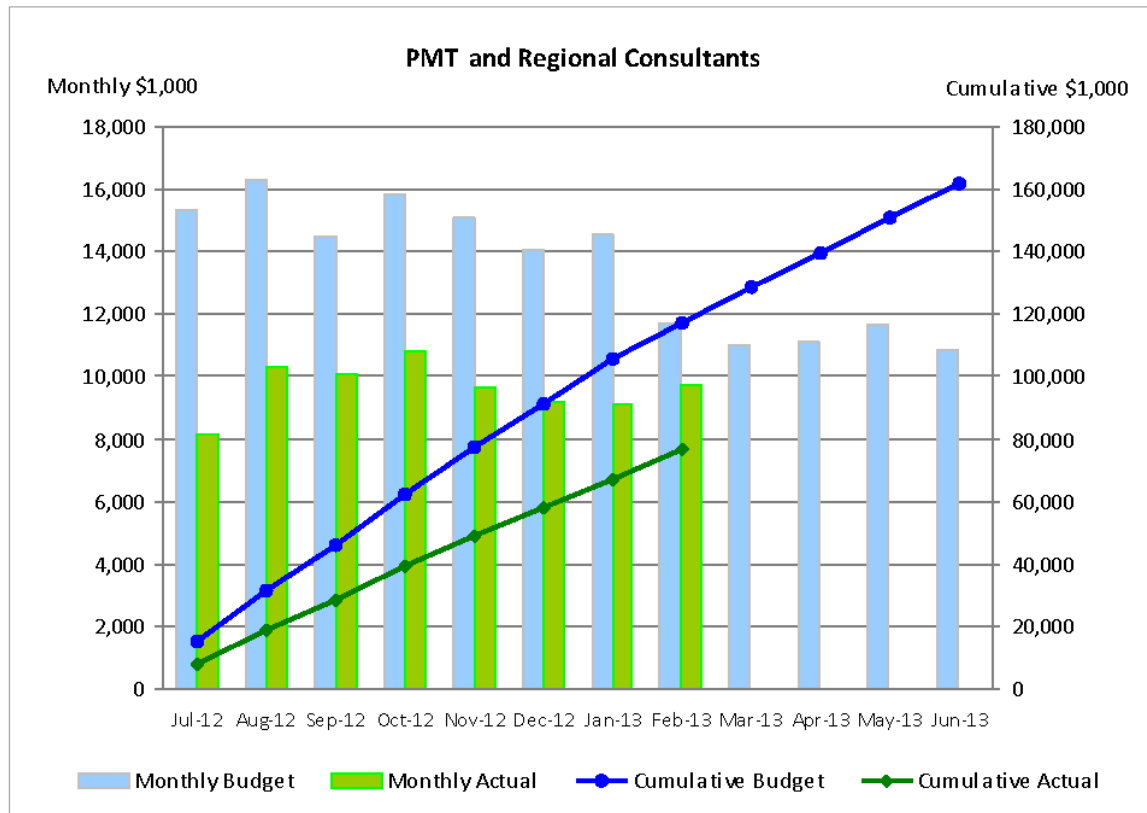
Staff recommends that the Board approve a contract amendment with Parsons Brinckerhoff for \$96 million through June 30, 2015 for program management services and authorize staff to negotiate the terms, conditions and tasks of the amendment.

SERVICES	FIRM	CURRENT TERM	AMENDED TERM	CURRENT BUDGET	EXPENDITURES AS OF MAR 2013
Program Management	Parsons Brinckerhoff	6/30/2013	6/30/2015	\$199,000,000	\$160,000,000

Attachment

- #1 - PMT and Regional Consultants expenditure graph
- Resolution # HSRA 13-11

Attachment 1



CHSRA Program Components	February (\$1,000)		Fiscal Year Cumulative (\$1,000)				Total FY Budget
	Monthly Planned	Monthly Actual	Planned	Actual	Variance Over/Under	% (-Over/+Under)	
Program Management (PB)	\$4,662	\$4,365	\$39,302	\$29,918	\$9,383	24	\$58,992
San Francisco - San Jose (HNTB)	\$133	\$31	\$1,156	\$217	\$939	81	\$1,728
San Jose - Merced (Parsons)	\$1,288	\$1,131	\$7,545	\$6,823	\$722	10	\$12,957
Merced - Fresno (AECOM)	\$944	\$1,050	\$9,787	\$8,212	\$1,575	16	\$13,296
Fresno - Bakersfield (U-H-A)	\$1,612	\$1,753	\$23,726	\$12,643	\$11,083	47	\$28,347
Bakersfield - Palmdale (U-H-A)	\$916	\$559	\$13,963	\$8,704	\$5,259	38	\$16,296
Palmdale - Los Angeles (H-U-A)	\$908	\$519	\$9,771	\$6,339	\$3,432	35	\$12,017
Los Angeles - Anaheim (STV)	\$468	\$118	\$3,735	\$1,562	\$2,172	58	\$6,068
Los Angeles - San Diego (HNTB)	\$348	\$41	\$3,039	\$1,111	\$1,928	63	\$4,550
Sacramento - Merced (AECOM)	\$261	\$79	\$3,035	\$839	\$2,196	72	\$4,100
Altamont (AECOM)	\$158	\$81	\$2,379	\$631	\$1,748	73	\$3,686
TOTAL	\$11,697	\$9,727	\$117,437	\$76,999	\$40,438	34	\$162,036